

Exhibit D

Robert Campagna Deposition Transcript Excerpts

In the Matter Of:

In Re - Celsius Network LLC

ROBERT CAMPAGNA

November 22, 2022



1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK

3

4 In re)
5 CELSIUS NETWORK LLC, et al.,)
6) Case No.
7) 22-10964 (MG)
8 Debtor.)

7

8 C O N F I D E N T I A L

9 H Y B R I D

10

11 Videotaped deposition of ROBERT

12 A. CAMPAGNA held at the offices of Kirkland &

13 Ellis, LLP, 601 Lexington Avenue, New York, New

14 York, before Elizabeth M. Kondor, Certified

15 Court Reporter and Notary Public of the State of

16 New York, held on Tuesday, November 22, 2022,

17 commencing at 9:09 a.m.

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25 Job No. 2022-872747

1 MR. WALLACE: Objection. Outside the
2 scope.

3 What does this have to do with the
4 stablecoin motion?

5 MS. CORNELL: I'm sorry?

6 MR. WALLACE: What's the relevancy --

7 MS. CORNELL: The relevance is we are
8 trying to determine whether or not the
9 stablecoin needs to be sold and for what
10 purposes.

11 BY MS. CORNELL:

12 Q. Can you please answer the question?

13 A. It was updated for, you know -- we
14 update it once a month, so it was just a
15 once-a-month update for the latest business
16 goings-on, including any updates on the mining
17 side of the business.

18 As far as numerical updates, there's
19 always puts and takes. I think the biggest item
20 of update between the two is some incremental
21 power-related deposits on the mining side of the
22 business. So I think it's largely consistent
23 with the budget that was previously filed in
24 September, but for that item, and that's
25 probably about a \$10 million overall negative

1 item.

2 Q. Okay.

3 Were you at the last hearing last
4 week on November 17, 2022?

5 A. I listened to part of that hearing.

6 MR. WALLACE: Ms. Cornell, I'm sorry.
7 I just want to hop in. I missed this one
8 preliminary matter at the very beginning,
9 given all the hubbub.

10 I just want to designate the entire
11 transcript as confidential under the PO.
12 No information disclosed or discussed
13 during this deposition are to be recorded
14 and/or publically disclosed, whether
15 orally, in writing, via podcast, on
16 Twitter, or through any other means.

17 The only individuals or entities that
18 may attend this deposition or have
19 knowledge of its contents are those who
20 gave prior notice that they would attend
21 and were bound by the protective order.

22 So if anybody on the Zoom hasn't
23 given notice or hasn't signed the
24 protective order, we would ask you to exit,
25 log off.

11

1 And, again, we caution folks who have
2 signed the protective order to abide by its
3 terms and refrain from streaming today's
4 deposition, tweeting about it, otherwise
5 discussing it publicly or with anyone who
6 hasn't signed the protective order.

7 We are, of course, willing to meet
8 and confer after the deposition to discuss
9 de-designating portions of the transcript.

10 Sorry about the interruption.

11 It's all yours.

12 MS. CORNELL: No worries at all.

13 BY MS. CORNELL:

14 Q. At that last hearing on
15 November 17th, Christopher Ferraro, the acting
16 CEO and CFO of Celsius, stated that Celsius was
17 currently cash flow positive.

18 Is that accurate, to the best of your
19 knowledge?

20 MR. WALLACE: Objection. Outside the
21 scope.

22 A. There is always cash flow positive
23 weeks and cash flow negative weeks. It just
24 sort of depends on the week. Since the filing
25 date, the company has more or less treaded

1 water. It's about -- it roughly started the
2 case with 115 million in baseline liquidity.
3 Collected some monies from the Bitfinex
4 exchange, that was 65 million. That would be
5 180. And we're sitting at like 172 or so around
6 October 31st.

7 Q. Okay.

8 A. On an overall basis, everything is in
9 there.

10 Q. Have you or has anyone on behalf of
11 Alvarez & Marsal for Celsius performed a
12 liquidation analysis of the debtors?

13 A. No.

14 Q. Do you expect to perform a
15 liquidation analysis of the debtors?

16 A. We would expect to do that as a part
17 of the planned disclosure statement.

18 Q. To the best of your knowledge, when
19 do you expect to need of an infusion of
20 liquidity?

21 A. The current forecast -- the updated
22 forecast liquidity on an overall consolidated
23 basis in March of 2023.

24 I note the mining business needs --
25 has liquidity needs a little earlier than that,

1 but on a consolidated basis, there's sufficient
2 cash in the system to cover the shortfall of
3 mining, but it would have to come from the core
4 -- the non-mining side of the business.

5 Q. Do those projections include
6 administrative costs of the bankruptcy including
7 professional fees?

8 A. They do.

9 Q. Okay. To the best of your knowledge,
10 do you know if the debtors are planning to
11 procure a DIP financing arrangement?

12 A. DIP financing was explored earlier in
13 the case by Centerview, the company's investment
14 banker. At this point, the company is not
15 pursuing DIP financing.

16 Q. To the best of your knowledge, would
17 the sale of stablecoin affect positioning if the
18 debtors were to look for debtor-in-possession
19 financing, or DIP financing, at a later date?

20 A. My understanding of the DIP financing
21 process, there's several paths. One was a DIP
22 based on the assets of the mining business, the
23 hard assets of the mining business. Other
24 potential paths included loans against the
25 coins, the crypto assets.

1 So to the extent we sell the
2 stablecoin and raise 18 million, that's
3 obviously 18 million right to the company. To
4 the extent we used it as collateral for a loan,
5 we would get some lending capacity on that, I
6 presume. I don't know if it would be 18
7 million.

8 Q. Are you familiar with the de minimis
9 asset motion that was previously filed in the
10 Celsius bankruptcy case?

11 A. Generally. I know one was filed.
12 Offhand, I don't know the -- remember the
13 specifics.

14 Q. Sure.

15 To the best of your knowledge, has
16 there been any flow of liquidity from those
17 sales?

18 A. No, not to my knowledge.

19 Q. Would the sale of GK8 or the interest
20 in GK8 affect the overall liquidity analysis?

21 A. The proceeds from GK8 would obviously
22 be a positive thing from a cash flow standpoint.
23 I think there's questions over who has access to
24 those funds and whether the company has access
25 to those funds. But if the company were able to

1 use those, it would absolutely be helpful.

2 Q. Are you familiar with the status of
3 the sale of GK8 or the interest in GK8?

4 A. Very generally, yes.

5 Q. Are you familiar with the status,
6 vis-à-vis an auction?

7 A. Generally, yes.

8 Q. Okay.

9 As of today's date, how much
10 stablecoin are you aware that Celsius is seeking
11 to sell?

12 A. Eighteen million.

13 Q. Previously, Celsius was looking to
14 sell approximately 23 million stablecoins.

15 Do you know, to the best of your
16 knowledge, why there was a change?

17 MR. WALLACE: Object to form.

18 A. I don't remember whether we were
19 seeking to sell 23. I know the 23. The 23 is
20 called the gross number of stablecoin on
21 Fireblocks that the company possesses on
22 Fireblocks or is controlled on Fireblocks.

23 Q. To the best of your knowledge, are
24 there any costs associated with the sale of
25 stablecoin?

1 can you pass me, I believe it's marked as
2 Tab 4, the written deposition answers.

3 I'm now handing the court reporter
4 what is ECF Docket No. 1406.

5 Can we have this marked as Exhibit 1.

6 (Campagna Exhibit 1, ECF Docket No.
7 1406, is received and marked for
8 identification.)

9 BY MR. CURTIS:

10 Q. Do you recognize this document?

11 A. It looks like it is the written
12 responses to the deposition request question --
13 the written deposition questions.

14 Q. And have you seen this document
15 before?

16 A. I have not.

17 Q. You said earlier that Mr. Ciriello
18 assisted with answering some questions for
19 written deposition questions, correct?

20 A. Correct.

21 Q. Do you know if it was the answers to
22 these written deposition questions?

23 A. Yes, I believe it was.

24 Q. And you said you had familiarity with
25 what Andrew Ciriello assisted with, correct?

1 A. Correct.

2 Q. Do you know which questions in the
3 written depositions he assisted with?

4 A. If I look at them, I can tell you
5 that, yes.

6 Q. Can you do that, please?

7 A. Sure.

8 Q. Thank you.

9 A. Question 23. I believe we would have
10 responded to Question 24. The only other two
11 questions I think that we may have provided
12 information on would be questions 43 and 44, but
13 I'm not certain if we did.

14 Q. You said 43 and 44?

15 A. Forty-three and 44, correct.

16 Q. So to sum, to the best of your
17 knowledge, Mr. Ciriello assisted with questions
18 23 and 24, as well as may have assisted with 43
19 and 44; is that correct?

20 A. Correct.

21 Q. And to the best of your knowledge,
22 how did Mr. Ciriello and A&M assist with
23 Question 23?

24 A. So Question 23, it's requesting by
25 coin type the number of users in the earned

1 program for owed funds related to each coin
2 type, as well as the number of coins that they
3 had placed on deposit or that were noted in
4 their earned account balance.

5 We would have worked with the company
6 to get those financial -- that financial
7 information.

8 Q. Okay. And that information was
9 provided to you by debtors?

10 A. Information provided by the debtors.
11 We have some of that information -- some of that
12 has been downloaded such that we have access to
13 it.

14 Q. Which information has been
15 downloaded?

16 A. Certain information on customer
17 balances. We would have used it for other
18 purposes, filing statements and schedules and
19 the like.

20 Q. Understood.

21 For Question 24, how would
22 Mr. Ciriello -- to the best of your knowledge,
23 how would he have assisted with Question 24?

24 A. Less assisting. We may have just
25 provided the answer that would have come from

1 the company on this.

2 Q. So in the response to Question No.
3 24, it states, "Celsius states it did not tag
4 particular stablecoins as coming from particular
5 Account Holders once the stablecoins entered
6 Celsius' main wallets."

7 Am I reading that correctly?

8 A. That's correct.

9 Q. You said that Alvarez & Marsal
10 assisted with this answer?

11 A. They would have been an intermediary
12 with K&E on this answer, yes.

13 Q. So to assist with this answer, is it
14 fair to say that Alvarez and Marshall -- Marsal,
15 excuse me -- is familiar with the tagging
16 process of debtors and identifying account
17 holders who have stablecoins?

18 MR. WALLACE: Objection. Vague.

19 A. Yeah, I don't know that -- the
20 tagging piece, but we're -- we understand, at a
21 general level, how coins come to the company and
22 get aggregated.

23 Q. And in the next sentence, it says,
24 "Thus, it is not generally possible to trace any
25 of the Proposed Sale stablecoin to specific

1 transfers made by Account Holders."

2 Is that correct?

3 A. Correct.

4 Q. And in assisting in the response to
5 Question No. 24, did A&M and Mr. Ciriello have
6 familiarity with the tracing process of
7 stablecoin to account holders?

8 MR. WALLACE: Objection. Foundation.

9 A. We did -- we did not perform any
10 tracing work. And our understanding is it's --
11 the funds are aggregated in a manner that
12 doesn't allow them to be traced.

13 Q. So to clarify, A&M has not done any
14 tracing work in relation to assisting with these
15 answers, correct?

16 A. Our understanding is the coins cannot
17 be traced.

18 Q. And where do you get that
19 understanding? Where does A&M get that
20 understanding? Excuse me.

21 A. From speaking with the company
22 employees and from understanding how the funds
23 consolidate within their financial system.

24 Q. So if A&M is not responsible for
25 giving information about tracing coins to

1 account holders, in what way did A&M assist in
2 the response to Question No. 24?

3 MR. WALLACE: Objection. Misstates
4 testimony.

5 A. Yeah, can you restate the question,
6 please?

7 Q. Yes.

8 So earlier you testified that A&M
9 gets its information about tracing from the
10 debtors, correct?

11 A. Correct.

12 Q. We just read through the response to
13 Question No. 24 which discusses that debtors are
14 unable to trace specific stablecoins to specific
15 account holders, correct?

16 A. Correct.

17 Q. If A&M gets the information about
18 tracing from debtors, in what way did A&M assist
19 in helping with the response to Question No. 24?

20 A. We would have assisted in getting
21 that information from the debtor personnel to
22 K&E, very simply. And that's primarily it.

23 Q. Okay. Thank you for your
24 clarification.

25 I believe you said A&M may have

37

1 assisted with questions 43 and 44; is that
2 correct?

3 A. Correct.

4 Q. To the best of your knowledge, how do
5 you believe that A&M assisted with Question
6 No. 43?

7 A. Simply on 43, we have information
8 related to institutional loan balances at --
9 likely at certain points in time. I don't know
10 the -- we definitely do not have them from
11 June 1 forward. But, again, certain points, in
12 more recent points in time, we would have had
13 balances of institutional loans.

14 Q. And how do you believe A&M, to the
15 best of your knowledge, assisted with Question
16 No. 44?

17 MR. WALLACE: Objection. Outside the
18 scope.

19 A. Very similar to the answer in 43,
20 that schedules we would have seen, you typically
21 would include account balance, as well as
22 collateral balance on a loan-by-loan basis or a
23 -- if not a loan-by-loan basis, at least a
24 borrower-by-borrower basis. One borrower can
25 have several loans.

1 Q. Okay. Mr. Campagna, we can put this
2 exhibit marked as Exhibit 1 to the side.

3 A. Okay.

4 Q. Did you assist in the preparation of
5 any other declarations in this litigation?

6 A. In this litigation, no. By "this
7 litigation," you mean the stablecoin motion,
8 correct?

9 Q. Correct.

10 A. Yes.

11 Q. In relation to the stablecoin motion.

12 A. That's correct, we have not.

13 Q. Thank you.

14 Mr. Campagna, we're going to switch
15 gears here to your background.

16 Would you mind describing your
17 educational background?

18 A. Sure.

19 I have a bachelor of science degree
20 with a concentration in business administration
21 in accounting from Bucknell University.

22 I passed the CPA exam and was a CPA
23 for many years. I've since gone inactive. And
24 I have a certification as a CIRA, C-I-R-A,
25 Certified Insolvency and Restructuring Advisor.